

## **FISCAL NOTE**

### **HB 2885 - SB 2864**

February 24, 2006

**SUMMARY OF BILL:** Enacts the "Tennessee Minimum Wage Act." Requires every employer to pay employee wage rates of not less than \$7.15 per hour.

#### **ESTIMATED FISCAL IMPACT:**

<b>Increase State Expenditures -</b>	<b>\$465,300 Recurring</b>
	<b>\$54,000 One-Time</b>
<b>Increase State Revenues -</b>	<b>Less than \$100,000</b>

**Increase Local Govt. Expenditures – Not Significant**

Assumptions:

- The State of Tennessee does not currently have an established minimum wage rate, however, employers are required to comply with the federal minimum wage rate.
- The Department of Labor & Workforce Development would be required to enforce the Act.
- The Department of Labor & Workforce Development would need 6 new inspectors and 3 Administrative Assistant positions at a cost of \$465,300 in recurring funds and \$54,000 in one-time funds.
- Any increase in state revenue from fines for violations of this bill are estimated to be less than \$100,000.
- According to the Department of Personnel, the definition of "employer" does not include the State of Tennessee.

#### **CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

**HB 2885 - SB 2864**

A handwritten signature in black ink, reading "James W. White". The signature is written in a cursive style with a large, stylized "J" and "W".

James W. White, Executive Director